
Program Memorandum Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

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This Program Memorandum re-issues Program Memorandum AB-00-51, Change Request 1162 dated June 2000. The only change is the discard date; all other material remains the same.

CHANGE REQUEST 1162

SUBJECT: Claims Processing Instructions for Claims Submitted With a Written Statement of Intent

This Program Memorandum (PM), effective October 1, 2000, provides instructions to intermediaries and carriers on processing claims where a statement of intent (SOI) was used to extend the timely filing period for submission of claims. This is effective for the claims filing period ending December 31, 2000. Prior to October 1, 2000, you should continue to process the SOI as you always have. Claims held pending instructions should now be processed.

Part I, General Instructions to Intermediaries and Carriers on Receiving and Processing the SOI

New instructions were written in PM AB-00-43, Change Request 1050 dated May 2000, which clarifies HCFA's policy on written statements of intent to claim Medicare Part A or Part B benefits. Refer to PM AB-00-43 for verification on the contents to be included in an SOI, contractor responsibilities, and for information on who can submit an SOI.

Processing the SOI

- o The SOI should arrive at the appropriate Medicare contractor or be forwarded to the correct Medicare contractor from the appropriate regional office. It is the submitter's responsibility to submit the SOI to the appropriate Medicare contractor. If you receive an SOI which should have been submitted to a different contractor, then you should return the SOI to the submitter with instructions that they must forward the SOI to the appropriate contractor.
- o You must return a letter of acknowledgment to the submitting entity, (provider, supplier, Medicaid State Agency or entity acting on behalf of the Medicaid State Agency, or beneficiary) upon receipt of a valid or invalid SOI (according to PM AB-00-43). Examples of letters can be found in PM AB-99-100. Before sending out the acknowledgment letter, search history to assure that a claim has not previously been submitted for these services.
- o The proper claimant then has 6 months after the month in which the acknowledgment letter for a valid SOI is issued to submit a claim to Medicare (42 CFR 424.45(c)). You are not required to develop a claim from the submitted SOI. You are also not to solicit the submission of claims from entities that have submitted SOIs.
- o You must keep the SOI for a minimum of 6 months after the month of acknowledgment of the claim, in order to match the SOI with incoming claims.
- o You must be able to match the statement of intent with the claim.

Part II, Processing of Claims Submitted Beyond the Filing Deadline

Within 6 months after the month of the SOI acknowledgment letter, a valid claim form (either electronic or hardcopy) must be submitted in accordance with Medicare claims standards. When the claim denies for dates of service beyond the timely filing deadline, you must develop a way to determine if an SOI exists for this claim.

When a claim is submitted beyond the filing deadline, verify that the 6 month acknowledgment letter time limit has not expired.

- o If more than 6 months have passed after the month of the SOI acknowledgment letter, deny the claim.
- o If less than 6 months have passed, verify that a valid SOI exists. If a valid SOI does not exist, deny the claim.
- o If the information on the claim does not match the information on the SOI, deny the claim.
- o If the SOI was filed correctly and the claim is submitted timely (within 6 months after the month of the acknowledgment letter), process the claim as usual, according to the claims processing sections of the Medicare Intermediary Manual and Medicare Carriers Manual.

Special Coding Instructions

Some Medicare contractors have already developed internal systems to handle the function of matching an SOI with a claim. Please continue to process these in the way most effective for your area. To facilitate this process:

-- Effective October 1, 2000, modifier **QQ** has been approved for providers/suppliers to place on the claim at the line level. This modifier is defined as "service for which a statement of intent was submitted, deemed as valid, and an acknowledgment letter was received." Bypass any late filing auto denials for services with this modifier and compare the services on the statement of intent with the services on the claim. If the services do not match, deny the service.

-- Effective October 1, 2000, condition code **H0 (zero)** has been approved by the National Uniform Billing Committee to facilitate this process for you. When a claim comes in with this condition code, this signals to the system that an SOI exists for this claim before the claim is rejected for timely filing. The claim will suspend and allow you to verify that an SOI exists for this claim. It is your responsibility to determine if the SOI matches the information on the claim. If the SOI does not match the information/service on the claim or an SOI cannot be found, deny the claim. If the SOI and the claim match, process the claim as usual.

On the SOI acknowledgment letter, please inform the submitter of the proper modifier or condition code. If the submitter of the SOI is not the provider/supplier who will be submitting the claim, they must instruct the provider/supplier to place one of these codes on the claim.

The effective date for this Program Memorandum (PM) is October 1, 2000.

The implementation date for this PM is October 1, 2000.

Please inform your providers of these instructions through your regularly scheduled newsletters.

These instructions should be implemented within your current operating budget.

This PM may be discarded after October 1, 2002.

Should you have questions, call your regional office or intermediaries may contact Sarah Shirey at (410) 786-0187, carriers may contact Bill Stojak at (410) 786-6984, and DME carriers may contact Joann Spalding at (410) 786-3352. Providers/suppliers are to contact their appropriate intermediary or carrier.